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October 12, 2000

VIA HAND DELIVERY

D. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

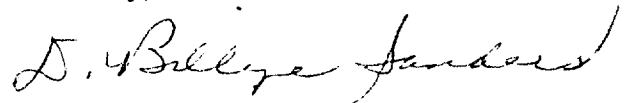
Re: Joint Application of the City of Kingsport and Tensasco Pipeline Corporation for Approval of City Resolution and City Ordinance;
Docket No. 00-00537

Dear Mr. Waddell:

By notice of filing dated October 5, 2000, the City of Kingsport and Tensasco Pipeline Corporation were directed to amend or clarify their application by October 12, 2000. Enclosed you will find the original and thirteen (13) copies of the amendment to and clarification of Joint Application of the City of Kingsport and Tensasco Pipeline Corporation for approval of the city resolution and city ordinance.

Please add my name as an additional counsel of record for Tensasco Pipeline Corporation.

Sincerely,



D. Billye Sanders

DBS:lmb
w/Enclosure
cc: Parties of Record
Cary V. Sorensen, Esq.
J. Michael Billingsley, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE: JOINT APPLICATION OF THE CITY OF KINGSFORT AND TENGASCO PIPELINE CORPORATION FOR APPROVAL OF CITY RESOLUTION AND CITY ORDINANCE

DOCKET NO. 00-00537

AMENDMENT TO AND CLARIFICATION OF JOINT APPLICATION OF THE
CITY OF KINGSFORT AND TENGASCO PIPELINE CORPORATION FOR
APPROVAL OF CITY RESOLUTION

COME NOW Terasco Pipeline Corporation ("TPC") and the City of Kingsport, Tennessee ("City of Kingsport"), amending and clarifying the previously filed joint application for approval by the Tennessee Regulatory Authority ("TRA") of a Resolution and an Ordinance of the City of Kingsport, pursuant to T.C.A. Section 65-4-107.

This Amendment and clarification is in response to the Notice of Filing dated October 5, 2000 requiring clarification of: (1) the actions of TRA being requested and the legal bases therefor; (2) whether a certificate of convenience and necessity ("CCN") is being requested; and (3) the geographical area Terasco proposes to serve. These matters are clarified by this Amendment To and Clarification Of Joint Application, as follows:

1. By this Amendment and Clarification, TPC and City of Kingsport request only the approval in this Docket of the City's Resolution pursuant to T.C.A. Section 65-4-107.

In support of the joint application as amended and clarified hereby, TPC and the City of Kingsport would show as follows:

On May 2, 2000 The Mayor and the Board of Aldermen of the City of Kingsport, Tennessee, in Sullivan County, passed Resolution No. 2000-092 stating that public necessity requires a competing natural gas pipeline company in the City of Kingsport, and that public necessity requires that Terasco Pipeline Corporation construct facilities and that such construction is approved. A certified copy of the resolution was attached as Exhibit A to the previously filed Joint Application and is incorporated by reference.

TPC and the City of Kingsport hereby submit the Resolution adopted by the City of Kingsport for approval pursuant to T.C.A. Section 65-4-107.

TPC and the City of Kingsport specifically state that by this amendment and clarification, that following the filing of this Amendment and Clarification in this Docket, *no approval is being sought in this Docket* of the City Ordinance No. 4776 dated June 6, 2000, whereby the City of Kingsport, Tennessee authorized execution of a non-exclusive Franchise Agreement between the City of Kingsport and TPC to provide natural gas service as provided therein within the City of Kingsport (“Ordinance”). TPC and the City of Kingsport state that the Ordinance has been accepted by TPC and consequently by its terms remains in effect subject to approval by TRA, and that by this Amendment and Clarification TPC and the City of Kingsport do not waive, but specifically reserve the right to seek approval by TRA of that Ordinance, and will seek approval thereof in a separate docket to be initiated by them in the future. TPC and City of Kingsport state that it is appropriate to address the matters of the Resolution and the Ordinance in separate dockets in that the legal bases for the relief sought differ because of the applicability, with respect to the Resolution, of a recently enacted pilot project set out in the Resolution.

2. TPC is not requesting in this docket that it be granted a certificate of public convenience and necessity in any county.

Although TPC was granted a Certificate of Public Convenience and Necessity by order dated June 21, 1998 in Docket No. 98-00156, approving TPC’s application in that docket to provide intrastate natural gas services within Claiborne, Hawkins, and Hancock Counties, Tennessee, TPC hereby clarifies that by this Amendment and Clarification it is not seeking in this docket an amendment to its certificate in Docket No. 98-00156, nor is it seeking a new certificate applicable to service in any portion of Sullivan County or of any other county. TPC requests only that the Resolution of the City of Kingsport be approved as stated above. Consequently, according to T.C.A. Section 65-4-207, the certification provisions of T.C.A. Section 65-4, part 2 do not apply when the local option of the municipality is invoked.

3. The geographical area TPC proposes to serve pursuant to the approval requested in this docket is the geographical area within the city limits of the City of Kingsport, Tennessee pursuant to the Resolution. No other geographical area is proposed to be served by virtue of the relief requested by TPC in this docket.

WHEREFORE, PREMISES CONSIDERED:

The City of Kingsport and Tengasco Pipeline Corporation request that this matter be set for hearing as required by T.C.A. Section 65-4-107 and that on final hearing hereof the Tennessee Regulatory Authority grant the following relief:

ORDER that the Resolution No. 2000-092 adopted by the City of Kingsport is necessary and proper for the public convenience and properly conserves the public interest and it is therefore APPROVED; and

SUCH further relief to TPC and the City of Kingsport to which they may be entitled.

BY ATTORNEY:

Cary V. Sorensen by DBS

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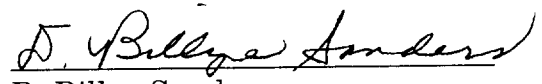
423-224-2417 (fax)

ATTORNEY FOR THE CITY OF KINGSPORT

CERTIFICATE OF SERVICE

I, D. Billye Sanders, hereby certify that a true and correct copy of the foregoing was delivered by facsimile or U.S. Mail, postage prepaid to the counsel of record listed below on the 12th day of October, 2000:

Joe A. Conner, Esq.
Misty Smith Kelley, Esq.
Baker, Donelson, Bearman & Caldwell, PC
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633 Chestnut Street
Chattanooga, Tennessee 37450
ATTORNEYS FOR UNITED CITIES GAS COMPANY


D. Billye Sanders